

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST LAUREL WATER)	
DISTRICT, OF LAUREL COUNTY, KENTUCKY,)	CASE NO.
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)	97-258
AND NECESSITY; AND APPROVAL OF PROPOSED)	
PLAN OF FINANCING)	

O R D E R

On June 18, 1997, East Laurel County Water District ("East Laurel Water") applied for a Certificate of Public Convenience and Necessity to construct a \$190,000 water-works improvement project and for approval of its plan for financing the project. The proposed project involves the construction of 8,000 linear feet of 16-inch ductile iron water transmission main and appurtenances between the Highway 472 pump station and Highway 80 near the Sasser Tank and will be funded by a two-year demand note from the First National Bank and Trust, London, Kentucky at an initial interest rate of 5.95 percent per annum.

The proposed construction is expected to enable East Laurel Water to maintain appropriate system pressures during summer peak demands. Plans and specifications for the proposed improvements prepared by Kenvirons, Inc. have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Public convenience and necessity require that the construction proposed be performed and that a Certificate of Public Convenience and Necessity be granted.

2. The proposed construction consists of 8,000 linear feet of 16-inch ductile iron water transmission main and related appurtenances.

3. East Laurel Water should obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

4. Any deviation from the construction approved should be undertaken only with the prior approval of the Commission.

5. East Laurel Water should furnish documentation of the total costs of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Construction costs should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

6. East Laurel Water should require construction to be inspected under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering.

7. As the entire project will be funded by East Laurel Water with an indebtedness period of two years, Commission approval of its proposed plan of financing is not required. KRS 278.300(8).

IT IS THEREFORE ORDERED that:


1. East Laurel Water is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project consisting of 8,000 linear feet of 16-inch ductile iron water transmission main and related appurtenances as set forth in the drawings and specifications of record herein.

2. East Laurel Water shall comply with the requirements contained in Findings 3 through 6 as if the same were individually so ordered.


Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 12th day of August, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director